



February 15, 2002

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## ENGROSSED HOUSE BILL No. 1195

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DIGEST OF HB 1195 (Updated February 14, 2002 11:28 AM - DI 101)

**Citations Affected:** IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-8.1; IC 21-2; noncode.

**Synopsis:** Tax and budget matters. Establishes the application filing period for certain property tax deductions and the homestead credit with respect to certain mobile homes and manufactured homes. Permits assessing officials to receive a per diem and a mileage allowance for attending training sessions before taking office. Permits the board of trustees of the South Bend Community Schools to adopt a resolution returning to a calendar year budget cycle. Provides that the resolution may be rescinded. Updates population parameters to reflect changes in the 2000 decennial census. Specifies circumstances under which a sales tax return does not need to be filed each month. Updates references in the law to the Internal Revenue Code to refer to the version of the Internal Revenue Code as amended through January 1, 2002. Creates a centralized debt collection program for state agencies in the department of revenue.

**Effective:** January 1, 2002 (retroactive); upon passage; January 1, 2003.

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**Bauer**

(SENATE SPONSOR — BORST)

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January 10, 2002, read first time and referred to Committee on Ways and Means.  
January 22, 2002, amended, reported — Do Pass.  
January 28, 2002, read second time, amended, ordered engrossed.  
January 29, 2002, engrossed.  
January 30, 2002, read third time, passed. Yeas 67, nays 28.

SENATE ACTION

February 1, 2002, read first time and referred to Committee on Finance.  
February 14, 2002, amended, reported favorably — Do Pass.

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EH 1195—LS 7130/DI 52+



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February 15, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## ENGROSSED HOUSE BILL No. 1195

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A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-12-2, AS AMENDED BY P.L.291-2001,  
2       SECTION 130, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) Except as provided in  
4       section 17.8 of this chapter, a person who desires to claim the  
5       deduction provided by section 1 of this chapter must file a statement in  
6       duplicate, on forms prescribed by the ~~state board of tax commissioners,~~  
7       **department of local government finance**, with the auditor of the  
8       county in which the real property, mobile home not assessed as real  
9       property, or manufactured home not assessed as real property is  
10      located. **With respect to real property**, the statement must be filed  
11      during the twelve (12) months before May 11 of each year for which  
12      the person wishes to obtain the deduction. **With respect to a mobile**  
13      **home that is not assessed as real property or a manufactured home**  
14      **that is not assessed as real property, the statement must be filed**  
15      **during the twelve (12) months before March 2 of each year for**  
16      **which the individual wishes to obtain the deduction.** The statement  
17      may be filed in person or by mail. If mailed, the mailing must be

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1 postmarked on or before the last day for filing. In addition to the  
 2 statement required by this subsection, a contract buyer who desires to  
 3 claim the deduction must submit a copy of the recorded contract or  
 4 recorded memorandum of the contract, which must contain a legal  
 5 description sufficient to meet the requirements of IC 6-1.1-5, with the  
 6 first statement that the buyer files under this section with respect to a  
 7 particular parcel of real property. Upon receipt of the statement and the  
 8 recorded contract or recorded memorandum of the contract, the county  
 9 auditor shall assign a separate description and identification number to  
 10 the parcel of real property being sold under the contract.

11 (b) The statement referred to in subsection (a) must be verified  
 12 under penalties for perjury, and the statement must contain the  
 13 following information:

14 (1) The balance of the person's mortgage or contract indebtedness  
 15 on the assessment date of the year for which the deduction is  
 16 claimed.

17 (2) The assessed value of the real property, mobile home, or  
 18 manufactured home.

19 (3) The full name and complete residence address of the person  
 20 and of the mortgagee or contract seller.

21 (4) The name and residence of any assignee or bona fide owner or  
 22 holder of the mortgage or contract, if known, and if not known,  
 23 the person shall state that fact.

24 (5) The record number and page where the mortgage, contract, or  
 25 memorandum of the contract is recorded.

26 (6) A brief description of the real property, mobile home, or  
 27 manufactured home which is encumbered by the mortgage or sold  
 28 under the contract.

29 (7) If the person is not the sole legal or equitable owner of the real  
 30 property, mobile home, or manufactured home, the exact share of  
 31 the person's interest in it.

32 (8) The name of any other county in which the person has applied  
 33 for a deduction under this section and the amount of deduction  
 34 claimed in that application.

35 (c) The authority for signing a deduction application filed under this  
 36 section may not be delegated by the real property, mobile home, or  
 37 manufactured home owner or contract buyer to any person except upon  
 38 an executed power of attorney. The power of attorney may be contained  
 39 in the recorded mortgage, contract, or memorandum of the contract, or  
 40 in a separate instrument.

41 SECTION 2. IC 6-1.1-12-12, AS AMENDED BY P.L.291-2001,  
 42 SECTION 134, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JANUARY 1, 2003]: Sec. 12. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the ~~state board of tax commissioners~~, **department of local government finance**, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. **With respect to real property**, the application must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. **With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the application must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction.** The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

- (1) the records of a county office of family and children, the division of family and children, or the division of disability, aging, and rehabilitative services; or
- (2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home.

SECTION 3. IC 6-1.1-12-15, AS AMENDED BY P.L.291-2001, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. (a) Except as provided in section 17.8 of this chapter, an individual who desires to claim the deduction provided by section 13 or section 14 of this chapter must file a statement with the auditor of the county in which the individual resides. **With respect to real property**, the statement must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. **With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before**



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**March 2 of each year for which the individual wishes to obtain the deduction.** The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 4. IC 6-1.1-12-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. Except as provided in section 17.8 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. **With respect to real property**, the statement must be filed during the twelve (12) months before May 11 of each year for which the surviving spouse wishes to obtain the deduction. **With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction.** The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the

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deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 5. IC 6-1.1-12-17.5, AS AMENDED BY P.L.291-2001, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the ~~state board of tax commissioners,~~ **department of local government finance**, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. **With respect to real property**, the veteran must file the statement during the twelve (12) months before May 11 of each year for which he wishes to obtain the deduction. **With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction.** The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) a description and the assessed value of the real property, mobile home, or manufactured home;
- (2) the veteran's full name and his complete residence address;
- (3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home; and
- (4) any additional information which the ~~state board of tax commissioners~~ **department of local government finance** may

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require.

SECTION 6. IC 6-1.1-17-5, AS AMENDED BY P.L.178-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.

(2) The fiscal body of a second class city, not later than September 30.

(3) The board of school trustees of a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand (110,000), **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000)**, not later than:

(A) the time required in ~~section 5.6~~ **section 5.6(b)** of this chapter; or

**(B) September 20 if a resolution adopted under section 5.6(d) of this chapter is in effect.**

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:



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(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

SECTION 7. IC 6-1.1-17-5.6, AS ADDED BY P.L.178-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand ~~(110,000)~~. **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).**

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. **However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 20.**

(c) Each year, at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the ~~state board of tax commissioners~~ **department of local government finance** under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

**(d) The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to**

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1 using a calendar year budget year. A resolution adopted under this  
 2 subsection must be adopted after January 1 and before July 1. The  
 3 school corporation's initial calendar year budget year following the  
 4 adoption of a resolution under this subsection begins on January  
 5 1 of the year following the year the resolution is adopted. The first  
 6 six (6) months of the initial calendar year budget for the school  
 7 corporation must be consistent with the last six (6) months of the  
 8 final school year budget fixed by the department of local  
 9 government finance before the adoption of a resolution under this  
 10 subsection.

11 (e) A resolution adopted under subsection (d) may be rescinded  
 12 by a subsequent resolution adopted by the governing body. If the  
 13 governing body of the school corporation rescinds a resolution  
 14 adopted under subsection (d) and returns to a school year budget  
 15 year, the school corporation's initial school year budget year  
 16 begins on July 1 following the adoption of the rescinding resolution  
 17 and ends on June 30 of the following year. The first six (6) months  
 18 of the initial school year budget for the school corporation must be  
 19 consistent with the last six (6) months of the last calendar year  
 20 budget fixed by the department of local government finance before  
 21 the adoption of a rescinding resolution under this subsection.

22 SECTION 8. IC 6-1.1-20.9-3, AS AMENDED BY P.L.125-1999,  
 23 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JANUARY 1, 2003]: Sec. 3. (a) An individual who desires to claim the  
 25 credit provided by section 2 of this chapter must file a certified  
 26 statement in duplicate, on forms prescribed by the ~~state board of tax~~  
 27 ~~commissioners,~~ **department of local government finance**, with the  
 28 auditor of the county in which the homestead is located. The statement  
 29 shall include the parcel number or key number of the real estate and the  
 30 name of the city, town, or township in which the real estate is located.  
 31 **With respect to real property**, the statement must be filed during the  
 32 twelve (12) months before May 11 of the year prior to the first year for  
 33 which the person wishes to obtain the credit for the homestead. **With**  
 34 **respect to a mobile home that is not assessed as real property or a**  
 35 **manufactured home that is not assessed as real property**, the  
 36 **statement must be filed during the twelve (12) months before**  
 37 **March 2 of the first year for which the individual wishes to obtain**  
 38 **the credit. The statement may be filed in person or by mail. If**  
 39 **mailed, the mailing must be postmarked on or before the last day**  
 40 **for filing.** The statement applies for that first year and any succeeding  
 41 year for which the credit is allowed.

42 (b) The certified statement referred to in subsection (a) shall contain



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the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of ~~his~~ **the individual's** real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of ~~his~~ **the individual's** real property and fails to file the statement required by this subsection is liable for the amount of the credit he was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 2 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of property in a divorce decree.

SECTION 9. IC 6-1.1-35.2-2, AS AMENDED BY P.L.198-2001, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In any year in which an assessing official ~~or~~ a county assessor ~~or a member of a county property tax assessment board of appeals~~ takes office for the first time, the department of local government finance shall conduct training sessions determined under the rules adopted by the department under IC 4-22-2 for these new **assessing officials and county assessors**. These sessions must be held at the locations described in subsection (b).

(b) To ensure that all newly elected or appointed assessing officials ~~and assessors and members of county property tax assessment boards of appeals~~ have an opportunity to attend the training sessions required by this section, the department of local government finance shall conduct the training sessions at a minimum of four (4) separate regional locations. The department shall determine the locations of the training sessions, but:

- (1) at least one (1) training session must be held in the northeastern part of Indiana;
- (2) at least one (1) training session must be held in the



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1 northwestern part of Indiana;

2 (3) at least one (1) training session must be held in the  
3 southeastern part of Indiana; and

4 (4) at least one (1) training session must be held in the  
5 southwestern part of Indiana.

6 The four (4) regional training sessions may not be held in Indianapolis.  
7 However, the department of local government finance may, after the  
8 conclusion of the four (4) training sessions, provide additional training  
9 sessions at locations determined by the department.

10 (c) Any new assessing official ~~or county assessor or member of a~~  
11 ~~county property tax assessment board of appeals~~ who attends a required  
12 session is entitled to receive the per diem per session set by the  
13 department of local government finance by rule adopted under  
14 IC 4-22-2 and a mileage allowance from the county in which the  
15 official resides.

16 (d) A person is entitled to a mileage allowance under this section  
17 only for travel between the person's place of work and the training  
18 session nearest to the person's place of work.

19 (e) **For training between the date a person is elected to office**  
20 **and January 1 of the year the person takes office for the first time:**

21 **(1) the department of local government finance may approve**  
22 **the per diem per session; and**

23 **(2) the county in which the person resides may approve the**  
24 **mileage allowance;**

25 **referred to in subsection (c).**

26 SECTION 10. IC 6-2.5-6-1, AS AMENDED BY P.L.185-2001,  
27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 1. (a) Each person liable  
29 for collecting the state gross retail or use tax shall file a return for each  
30 calendar month and pay the state gross retail and use taxes that the  
31 person collects during that month. A person shall file the person's  
32 return for a particular month with the department and make the person's  
33 tax payment for that month to the department not more than thirty (30)  
34 days after the end of that month, if that person's average monthly  
35 liability for collections of state gross retail and use taxes under this  
36 section as determined by the department for the preceding calendar  
37 year did not exceed one thousand dollars (\$1,000). If a person's average  
38 monthly liability for collections of state gross retail and use taxes under  
39 this section as determined by the department for the preceding calendar  
40 year exceeded one thousand dollars (\$1,000), that person shall file the  
41 person's return for a particular month and make the person's tax  
42 payment for that month to the department not more than twenty (20)



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1 days after the end of that month.

2 (b) If a person files a combined sales and withholding tax report and  
3 either this section or IC 6-3-4-8.1 requires sales or withholding tax  
4 reports to be filed and remittances to be made within twenty (20) days  
5 after the end of each month, then the person shall file the combined  
6 report and remit the sales and withholding taxes due within twenty (20)  
7 days after the end of each month.

8 (c) **Instead of the twelve (12) monthly reporting periods**  
9 **required by subsection (a), the department may permit a person to**  
10 **divide a year into a different number of reporting periods. The**  
11 **return and payment for each reporting period is due not more than**  
12 **twenty (20) days after the end of the period.**

13 (d) Instead of the reporting periods required under subsection (a),  
14 the department may permit a retail merchant to report and pay the  
15 merchant's state gross retail and use taxes for a period covering:

16 (1) a calendar year, if the retail merchant's average monthly state  
17 gross retail and use tax liability in the previous calendar year does  
18 not exceed ten dollars (\$10); ~~or~~

19 (2) a calendar half year, if the retail merchant's average monthly  
20 state gross retail and use tax liability in the previous calendar year  
21 does not exceed twenty-five dollars (\$25); **or**

22 **(3) a calendar quarter, if the retail merchant's average**  
23 **monthly state gross retail and use tax liability in the previous**  
24 **calendar year does not exceed seventy-five dollars (\$75).**

25 A retail merchant using a reporting period allowed under this  
26 subsection must file the merchant's return and pay the merchant's tax  
27 for a reporting period not later than the last day of the month  
28 immediately following the close of that reporting period.

29 ~~(d)~~ (e) If a retail merchant reports the merchant's gross income tax,  
30 or the tax the merchant pays in place of the gross income tax, over a  
31 fiscal year or fiscal quarter not corresponding to the calendar year or  
32 calendar quarter, the merchant may, without prior departmental  
33 approval, report and pay the merchant's state gross retail and use taxes  
34 over the merchant's fiscal period that corresponds to the calendar  
35 period the merchant is permitted to use under subsection ~~(e)~~: (d).  
36 However, the department may, at any time, require the retail merchant  
37 to stop using the fiscal reporting period.

38 ~~(e)~~ (f) If a retail merchant files a combined sales and withholding  
39 tax report, the reporting period for the combined report is the shortest  
40 period required under:

41 (1) this section;

42 (2) IC 6-3-4-8; or



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1 (3) IC 6-3-4-8.1.

2 ~~(f)~~ (g) If the department determines that a person's:

3 (1) estimated monthly gross retail and use tax liability for the  
4 current year; or

5 (2) average monthly gross retail and use tax liability for the  
6 preceding year;

7 exceeds ten thousand dollars (\$10,000), the person shall pay the  
8 monthly gross retail and use taxes due by electronic fund transfer (as  
9 defined in IC 4-8.1-2-7) or by delivering in person or by overnight  
10 courier a payment by cashier's check, certified check, or money order  
11 to the department. The transfer or payment shall be made on or before  
12 the date the tax is due.

13 **(h) If a person's gross retail and use tax payment is made by**  
14 **electronic fund transfer, the taxpayer is not required to file a**  
15 **monthly gross retail and use tax return. However, the person shall**  
16 **file a quarterly gross retail and use tax return before the twentieth**  
17 **day after the end of each calendar quarter.**

18 SECTION 11. IC 6-3-1-11, AS AMENDED BY P.L.9-2001,  
19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 11. (a) The term "Internal  
21 Revenue Code" means the Internal Revenue Code of 1986 of the  
22 United States as amended and in effect on January 1, ~~2001~~, **2002**.

23 (b) Whenever the Internal Revenue Code is mentioned in this  
24 article, the particular provisions that are referred to, together with all  
25 the other provisions of the Internal Revenue Code in effect on January  
26 1, ~~2001~~, **2002**, that pertain to the provisions specifically mentioned,  
27 shall be regarded as incorporated in this article by reference and have  
28 the same force and effect as though fully set forth in this article. To the  
29 extent the provisions apply to this article, regulations adopted under  
30 Section 7805(a) of the Internal Revenue Code and in effect on January  
31 1, ~~2001~~, **2002**, shall be regarded as rules adopted by the department  
32 under this article, unless the department adopts specific rules that  
33 supersede the regulation.

34 (c) An amendment to the Internal Revenue Code made by an act  
35 passed by Congress before January 1, ~~2001~~, **2002**, that is effective for  
36 any taxable year that began before January 1, ~~2001~~, **2002**, and that  
37 affects:

38 (1) individual adjusted gross income (as defined in Section 62 of  
39 the Internal Revenue Code);

40 (2) corporate taxable income (as defined in Section 63 of the  
41 Internal Revenue Code);

42 (3) trust and estate taxable income (as defined in Section 641(b))



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- 1 of the Internal Revenue Code);  
 2 (4) life insurance company taxable income (as defined in Section  
 3 801(b) of the Internal Revenue Code);  
 4 (5) mutual insurance company taxable income (as defined in  
 5 Section 821(b) of the Internal Revenue Code); or  
 6 (6) taxable income (as defined in Section 832 of the Internal  
 7 Revenue Code);

8 is also effective for that same taxable year for purposes of determining  
 9 adjusted gross income under IC 6-3-1-3.5 and net income under  
 10 IC 6-3-8-2(b).

11 SECTION 12. IC 6-8.1-9-14 IS ADDED TO THE INDIANA CODE  
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 13 JANUARY 1, 2003]: **Sec. 14. (a) The department shall establish,**  
 14 **administer, and make available a centralized debt collection**  
 15 **program for use by state agencies to collect delinquent accounts,**  
 16 **charges, fees, loans, taxes, or other indebtedness owed to or being**  
 17 **collected by state agencies. The department's collection facilities**  
 18 **shall be available for use by other state agencies only when**  
 19 **resources are available to the department.**

20 (b) The commissioner shall prescribe the appropriate form and  
 21 manner in which collection information is to be submitted to the  
 22 department.

23 (c) The debt must be delinquent and not subject to litigation,  
 24 claim, appeal, or review pursuant to the appropriate remedies of  
 25 a state agency.

26 (d) The department has the authority to collect for the state or  
 27 claimant agency (as defined in IC 6-8.1-9.5-1) delinquent accounts,  
 28 charges, fees, loans, taxes, or other indebtedness due the state or  
 29 claimant agency that has a formal agreement with the department  
 30 for central debt collection.

31 (e) The formal agreement must provide that the information  
 32 provided to the department be sufficient to establish the obligation  
 33 in court and to render the agreement as a legal judgment on behalf  
 34 of the state. After transferring a file for collection to the  
 35 department for collection, the claimant agency shall terminate all  
 36 collection procedures and be available to provide assistance to the  
 37 department. Upon receipt of a file for collection, the department  
 38 shall comply with all applicable state and federal laws governing  
 39 collection of the debt.

40 (f) The department may use a claimant agency's statutory  
 41 authority to collect the claimant agency's delinquent accounts,  
 42 charges, fees, loans, taxes, or other indebtedness owed to the



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claimant agency.

(g) The department's right to credit against taxes due may not be impaired by any right granted the department or other state agency under this section.

(h) The department of revenue may charge the claimant agency a fee not to exceed fifteen percent (15%) of any funds the department collects for a claimant agency. Notwithstanding any law concerning delinquent accounts, charges, fees, loans, taxes, or other indebtedness, the fifteen percent (15%) fee shall be added to the amount due to the state or claimant agency when the collection is made.

(i) Fees collected under subsection (h) shall be retained by the department after the debt is collected for the claimant agency and are appropriated to the department for use by the department in administering this section.

(j) The department shall transfer any funds collected from a debtor to the claimant agency within thirty (30) days after the end of the month in which the funds were collected.

(k) When a claimant agency requests collection by the department, the claimant agency shall provide the department with:

- (1) the full name;
- (2) the Social Security number or federal identification number, or both;
- (3) the last known mailing address; and
- (4) additional information that the department may request; concerning the debtor.

(l) The department shall establish a minimum amount that the department will attempt to collect for the claimant agency.

(m) The commissioner shall report, not later than March 1 for the previous calendar year, to the governor, the budget director, and the legislative council concerning the implementation of the centralized debt collection program, the number of debts, the dollar amounts of debts collected, and an estimate of the future costs and benefits that may be associated with the collection program.

SECTION 13. IC 21-2-11.5-3.1, AS AMENDED BY P.L.178-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This subsection does not apply to a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000); one hundred five thousand (105,000) but less than one



1 **hundred twenty thousand (120,000), unless a resolution adopted**  
 2 **under IC 6-1.1-17-5.6(d) by the governing body of the school**  
 3 **corporation is in effect.** Before a governing body may collect property  
 4 taxes for the school bus replacement fund in a particular calendar year,  
 5 the governing body must, after January 1 and not later than September  
 6 20 of the immediately preceding year:

7 (1) conduct a public hearing on; and

8 (2) pass a resolution to adopt;

9 a plan under this section.

10 (b) This subsection applies only to a school corporation located in  
 11 a city having a population of more than ~~ninety thousand (90,000)~~ but  
 12 ~~less than one hundred ten thousand (110,000):~~ **one hundred five**  
 13 **thousand (105,000) but less than one hundred twenty thousand**  
 14 **(120,000). This subsection does not apply to the school corporation**  
 15 **if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing**  
 16 **body of the school corporation is in effect.** Before the governing  
 17 body of the school corporation may collect property taxes for the school  
 18 transportation fund's school bus replacement account in a particular  
 19 calendar year, the governing body must, after January 1 and on or  
 20 before February 1 of the immediately preceding year:

21 (1) conduct a public hearing on; and

22 (2) pass a resolution to adopt;

23 a plan under this section.

24 (c) The ~~state board of tax commissioners~~ **department of local**  
 25 **government finance** shall prescribe the format of the plan. A plan  
 26 must apply to at least the ten (10) budget years immediately following  
 27 the year the plan is adopted. A plan must at least include the following:

28 (1) An estimate for each year to which it applies of the nature and  
 29 amount of proposed expenditures from the transportation fund's  
 30 school bus replacement fund.

31 (2) A presumption that the minimum useful life of a school bus is  
 32 not less than ten (10) years.

33 (3) An identification of:

34 (A) the source of all revenue to be dedicated to the proposed  
 35 expenditures in the upcoming budget year; and

36 (B) the amount of property taxes to be collected in that year  
 37 and the unexpended balance to be retained in the fund for  
 38 expenditures proposed for a later year.

39 (4) If the school corporation is seeking to:

40 (A) acquire; or

41 (B) contract for transportation services that will provide;

42 additional school buses or school buses with a larger seating

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capacity as compared to the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(5) If the school corporation is seeking to:

(A) replace an existing school bus earlier than ten (10) years after the existing school bus was originally acquired; or

(B) require a contractor to replace a school bus;

evidence that the need exists for the replacement of the school bus. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(6) Evidence that the school corporation that seeks to acquire additional school buses under this section is acquiring or contracting for the school buses only for the purposes specified in subdivision (4) or for replacement purposes.

(d) After reviewing the plan, the ~~state board of tax commissioners~~ **department of local government finance** shall certify its approval, disapproval, or modification of the plan to the governing body and the auditor of the county. The ~~state board of tax commissioners~~ **department of local government finance** may seek the recommendation of the school property tax control board with respect to this determination. The action of the ~~state board of tax commissioners~~ **department of local government finance** with respect to the plan is final.

(e) The ~~state board of tax commissioners~~ **department of local government finance** may approve appropriations from the transportation fund's school bus replacement fund only if the appropriations conform to a plan that has been adopted in compliance with this section.

(f) A governing body may amend a plan adopted under this section. When an amendment to a plan is required, the governing body must declare the nature of and the need for the amendment and must show cause as to why the original plan no longer meets the transportation needs of the school corporation. The governing body must then conduct a public hearing on and pass a resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under subsection (c). This amendment to the plan is not subject to the deadlines for adoption described in subsection (a) or (b). However, the amendment to the plan must be submitted to the ~~state board of tax commissioners~~ **department of local government finance** for its consideration and is subject to approval, disapproval, or



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modification in accordance with the procedures for adopting a plan set forth in this section.

(g) If a public hearing is scheduled under this section, the governing body shall publish a notice of the public hearing and the proposed plan or amendment to the plan in accordance with IC 5-3-1-2(b).

SECTION 14. IC 21-2-15-5, AS AMENDED BY P.L.178-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This subsection does not apply to a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand ~~(110,000)~~: **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.** Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year, hold a public hearing on a proposed plan and then pass a resolution to adopt a plan.

(b) This subsection applies only to a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand ~~(110,000)~~: **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). This subsection does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.** Before the governing body of the school corporation may collect property taxes for a capital projects fund in a particular year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year, hold a public hearing on a proposed plan and then pass a resolution to adopt a plan.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the format of the plan. A plan must apply to at least the three (3) years immediately following the year the plan is adopted. A plan must estimate for each year to which it applies the nature and amount of proposed expenditures from the capital projects fund. A plan must estimate:

- (1) the source of all revenue to be dedicated to the proposed expenditures in the upcoming calendar year; and
- (2) the amount of property taxes to be collected in that year and retained in the fund for expenditures proposed for a later year.

(d) If a hearing is scheduled under subsection (a) or (b), the governing body shall publish the proposed plan and a notice of the

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1 hearing in accordance with IC 5-3-1-2(b).  
 2 SECTION 15. [EFFECTIVE JANUARY 1, 2003] (a) **IC 6-1.1-12-2,**  
 3 **IC 6-1.1-12-12, IC 6-1.1-12-15, IC 6-1.1-12-17, IC 6-1.1-12-17.5,**  
 4 **and IC 6-1.1-20.9-3, all as amended by this act, apply only to**  
 5 **property taxes first due and payable after December 31, 2002.**  
 6 **(b) This SECTION expires January 1, 2004.**  
 7 SECTION 16. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1195, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-10-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 25. ~~(a)~~ Subject to the limitations contained in ~~subsection (b) of this section~~, **section 36.3 of this chapter**, tangible property is exempt from property taxation if it is owned by **and used for the exempt purposes of** any of the following organizations:

- (1) The Young Men's Christian Association.
- (2) The Salvation Army, Inc.
- (3) The Knights of Columbus.
- (4) The Young Men's Hebrew Association.
- (5) The Young Women's Christian Association.
- (6) A chapter or post of Disabled American Veterans of World War I or II.
- (7) A chapter or post of the Veterans of Foreign Wars.
- (8) A post of the American Legion.
- (9) A post of the American War Veterans.
- (10) A camp of United States Spanish War Veterans.
- (11) The Boy Scouts of America, one (1) or more of its incorporated local councils, or a bank or trust company in trust for the benefit of one (1) or more of its local councils.
- (12) The Girl Scouts of the U.S.A., one **(1)** or more of its incorporated local councils, or a bank or trust company in trust for the benefit of one (1) or more of its local councils.

~~(b) This exemption does not apply unless the property is exclusively used, and in the case of real property actually occupied, for the purposes and objectives of the organization."~~

Page 1, line 16, delete "(including section 25 of this chapter)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1195 as introduced.)

BAUER, Chair

Committee Vote: yeas 24, nays 0.

**EH 1195—LS 7130/DI 52+**



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## HOUSE MOTION

Mr. Speaker: I move that House Bill 1195 be amended to read as follows:

Page 17, line 17, after "subtracting" insert ":".

Page 17, line 17, before "any" begin a new line double block indented and insert:

**"(A)".**

Page 17, line 20, delete "." and insert "; and".

Page 17, between lines 20 and 21, begin a new line double block indented and insert:

**"(B) income resulting from investment of contributions for which a deduction is allowable under Section 170 of the Internal Revenue Code or the earnings on these contributions in marketable securities, savings accounts, or other cash equivalents if the money is restricted for direct use for an exempt purpose."**

Page 17, line 29, after "subtracting" insert ":".

Page 17, line 29, before "any" begin a new line double block indented and insert:

**"(A)".**

Page 17, line 32, delete "." and insert "; and".

Page 17, between lines 32 and 33, begin a new line double block indented and insert:

**"(B) income resulting from investment of contributions for which a deduction is allowable under Section 170 of the Internal Revenue Code or the earnings on these contributions in marketable securities, savings accounts, or other cash equivalents if the money is restricted for direct use for an exempt purpose."**

Page 18, line 3, after "subtracting" insert ":".

Page 18, line 3, before "any" begin a new line triple block indented and insert:

**"(i)".**

Page 18, line 6, after ";" and insert "and".

Page 18, between lines 6 and 7, begin a new line triple block indented and insert:

**"(ii) income resulting from investment of contributions for which a deduction is allowable under Section 170 of the Internal Revenue Code or the earnings on these contributions in marketable securities, savings accounts, or other cash equivalents if the money is restricted for direct use for an exempt purpose."**



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Pages 18, delete lines 41 through 42.

Page 19, delete lines 1 through 18.

Renumber all SECTIONS consecutively.

(Reference is to House Bill 1195 as printed January 23, 2002.)

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1195, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 4 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 5 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 6 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 7 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 8 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 11 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 23 with "[EFFECTIVE JANUARY 1, 2003]".

Page 1, delete lines 1 through 17.

Delete pages 2 through 3.

Page 4, delete lines 1 through 13.

Page 4, line 28, delete "between January 15 and March 31," and insert "**during the twelve (12) months before March 2**".

Page 4, line 29, delete "inclusive".

Page 6, line 2, delete "between January 15 and March 31," and insert "**during the twelve (12) months before March 2**".

Page 6, line 3, delete "inclusive".

Page 6, line 31, delete "between January 15 and March 31," and insert "**during the twelve (12) months before March 2**".

Page 6, line 32, delete "inclusive".

Page 7, line 26, delete "between January 15 and" and insert "**during the twelve (12) months before March 2**".

Page 7, line 27, delete "March 31, inclusive".

Page 8, line 13, delete "between January 15 and March 31," and insert "**during the twelve (12) months before March 2**".

Page 8, line 14, delete "inclusive".

Page 11, line 25, delete "between" and insert "**during the twelve (12) months before March 2 of the first**".

Page 11, line 26, delete "January 15 and March 31, inclusive of each".

Page 13, delete lines 15 through 42, begin a new paragraph and

**EH 1195—LS 7130/DI 52+**



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insert:

"SECTION 10. IC 6-2.5-6-1, AS AMENDED BY P.L.185-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 1. (a) Each person liable for collecting the state gross retail or use tax shall file a return for each calendar month and pay the state gross retail and use taxes that the person collects during that month. A person shall file the person's return for a particular month with the department and make the person's tax payment for that month to the department not more than thirty (30) days after the end of that month, if that person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year did not exceed one thousand dollars (\$1,000). If a person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year exceeded one thousand dollars (\$1,000), that person shall file the person's return for a particular month and make the person's tax payment for that month to the department not more than twenty (20) days after the end of that month.

(b) If a person files a combined sales and withholding tax report and either this section or IC 6-3-4-8.1 requires sales or withholding tax reports to be filed and remittances to be made within twenty (20) days after the end of each month, then the person shall file the combined report and remit the sales and withholding taxes due within twenty (20) days after the end of each month.

**(c) Instead of the twelve (12) monthly reporting periods required by subsection (a), the department may permit a person to divide a year into a different number of reporting periods. The return and payment for each reporting period is due not more than twenty (20) days after the end of the period.**

**(d)** Instead of the reporting periods required under subsection (a), the department may permit a retail merchant to report and pay the merchant's state gross retail and use taxes for a period covering:

- (1) a calendar year, if the retail merchant's average monthly state gross retail and use tax liability in the previous calendar year does not exceed ten dollars (\$10); ~~or~~
- (2) a calendar half year, if the retail merchant's average monthly state gross retail and use tax liability in the previous calendar year does not exceed twenty-five dollars (\$25); ~~or~~
- (3) a calendar quarter, if the retail merchant's average monthly state gross retail and use tax liability in the previous calendar year does not exceed seventy-five dollars (\$75).**



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A retail merchant using a reporting period allowed under this subsection must file the merchant's return and pay the merchant's tax for a reporting period not later than the last day of the month immediately following the close of that reporting period.

~~(d)~~ (e) If a retail merchant reports the merchant's gross income tax, or the tax the merchant pays in place of the gross income tax, over a fiscal year or fiscal quarter not corresponding to the calendar year or calendar quarter, the merchant may, without prior departmental approval, report and pay the merchant's state gross retail and use taxes over the merchant's fiscal period that corresponds to the calendar period the merchant is permitted to use under subsection ~~(e)~~: (d). However, the department may, at any time, require the retail merchant to stop using the fiscal reporting period.

~~(e)~~ (f) If a retail merchant files a combined sales and withholding tax report, the reporting period for the combined report is the shortest period required under:

- (1) this section;
- (2) IC 6-3-4-8; or
- (3) IC 6-3-4-8.1.

~~(f)~~ (g) If the department determines that a person's:

- (1) estimated monthly gross retail and use tax liability for the current year; or
- (2) average monthly gross retail and use tax liability for the preceding year;

exceeds ten thousand dollars (\$10,000), the person shall pay the monthly gross retail and use taxes due by electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

**(h) If a person's gross retail and use tax payment is made by electronic fund transfer, the taxpayer is not required to file a monthly gross retail and use tax return. However, the person shall file a quarterly gross retail and use tax return before the twentieth day after the end of each calendar quarter.**

SECTION 11. IC 6-3-1-11, AS AMENDED BY P.L.9-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2001~~: **2002**.

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all

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the other provisions of the Internal Revenue Code in effect on January 1, ~~2001~~, **2002**, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2001~~, **2002**, shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2001~~, **2002**, that is effective for any taxable year that began before January 1, ~~2001~~, **2002**, and that affects:

- (1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);
- (2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);
- (3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);
- (4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);
- (5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or
- (6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under IC 6-3-1-3.5 and net income under IC 6-3-8-2(b).

SECTION 12. IC 6-8.1-9-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 14. (a) The department shall establish, administer, and make available a centralized debt collection program for use by state agencies to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by state agencies. The department's collection facilities shall be available for use by other state agencies only when resources are available to the department.**

**(b) The commissioner shall prescribe the appropriate form and manner in which collection information is to be submitted to the department.**

**(c) The debt must be delinquent and not subject to litigation, claim, appeal, or review pursuant to the appropriate remedies of**



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a state agency.

(d) The department has the authority to collect for the state or claimant agency (as defined in IC 6-8.1-9.5-1) delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or claimant agency that has a formal agreement with the department for central debt collection.

(e) The formal agreement must provide that the information provided to the department be sufficient to establish the obligation in court and to render the agreement as a legal judgment on behalf of the state. After transferring a file for collection to the department for collection, the claimant agency shall terminate all collection procedures and be available to provide assistance to the department. Upon receipt of a file for collection, the department shall comply with all applicable state and federal laws governing collection of the debt.

(f) The department may use a claimant agency's statutory authority to collect the claimant agency's delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to the claimant agency.

(g) The department's right to credit against taxes due may not be impaired by any right granted the department or other state agency under this section.

(h) The department of revenue may charge the claimant agency a fee not to exceed fifteen percent (15%) of any funds the department collects for a claimant agency. Notwithstanding any law concerning delinquent accounts, charges, fees, loans, taxes, or other indebtedness, the fifteen percent (15%) fee shall be added to the amount due to the state or claimant agency when the collection is made.

(i) Fees collected under subsection (h) shall be retained by the department after the debt is collected for the claimant agency and are appropriated to the department for use by the department in administering this section.

(j) The department shall transfer any funds collected from a debtor to the claimant agency within thirty (30) days after the end of the month in which the funds were collected.

(k) When a claimant agency requests collection by the department, the claimant agency shall provide the department with:

- (1) the full name;
- (2) the Social Security number or federal identification number, or both;



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- (3) the last known mailing address; and**
- (4) additional information that the department may request; concerning the debtor.**

**(l) The department shall establish a minimum amount that the department will attempt to collect for the claimant agency.**

**(m) The commissioner shall report, not later than March 1 for the previous calendar year, to the governor, the budget director, and the legislative council concerning the implementation of the centralized debt collection program, the number of debts, the dollar amounts of debts collected, and an estimate of the future costs and benefits that may be associated with the collection program."**

Delete pages 14 through 18.

Page 19, delete lines 1 through 19.

Page 22, delete lines 27 through 42.

Page 23, delete lines 1 through 33.

Page 23, line 38, delete "2001" and insert "**2002**".

Page 23, line 39, delete "2003" and insert "**2004**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1195 as reprinted January 29, 2002.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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